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EXAMINER

CHENCINSKI, SIEGFRIED E

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3695

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/588,811	Applicant(s) GOMES ET AL.	
	Examiner SIEGFRIED E. CHENCINSKI	Art Unit 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 September 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1. Claims 1-25 are rejected because the claimed invention is directed to non-statutory subject matter. Independent claims 1, 16, 24 and 25 recite a process comprising receiving, processing, transmitting, determining, combining and generating. Dependent claims 2-15 and 17-23 are rejected because of their dependence on independent claims 1 and 16. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Without these elements the invention involves human interaction which is not patentable subject matter. In Applicant's independent claims a human interaction is clearly possible, even in claim 16, where the party doing the transmitting and the receiving can clearly be a human.

The machine-or-transformation test is a two-branched inquiry; an applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. See Benson, 409 U.S. at 70. Certain considerations are applicable to analysis under either branch. First, as illustrated by Benson and discussed below, the use of a specific machine or

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transformation of an article must impose meaningful limits on the claim's scope to impart patent-eligibility. See Benson, 409 U.S. at 71-72. Second, the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity. See Flook, 437 U.S. at 590. (*In re Bilski*, En banc, U.S. Court of Appeals for the Federal Circuit, Washington, DC, Oct. 30, 2008). Per *In re Bilski*, these requirements must be present in each meaningful limitation step and must not merely rely on such limitations in the preamble.

In the instant case, each limitation appears to have equal importance and should therefore contain the statutory component or refer to it. Further, the statutory component must more specifically be an automated programmed electronic computer or computer processor or server, since simply a computer could mean a human using a desktop computer to perform all of the steps by hand using the computer as a tool to perform all of the claimed tasks. For example, the first limitation could be stated as "maintaining in an automated programmed electronic computer system ...". Then, each succeeding step could simply state "by" the computer system ...". Otherwise a human could still be using a computer to perform any steps which simply claim a "computer system". In Applicant's current independent claims, Applicant has added "by a computing device". As it reads, this could be an abacus or an E6B air navigation computer, each requiring a human to operate. Such computing devices are not supported by the specification. However, it appears to the examiner that there is support for complying with the above requirements as the examiner has suggested above.

Please note the Board of Patent Appeals Informative Opinion *Ex parte Langemyer et al*-
http://iplaw.bna.com/iplw/5000/split_display.adp?fedfid=10988734&vname=ippqcases2&wsn=500826000&searchid=6198805&doctypeid=1&type=court&mode=doc&split=0&scm=5000&pg=0

Applicant is advised to avoid new matter in complying with these requirements, and to refer to the locations of support in the specification when making such amendments.

Applicant Admitted Prior Art

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2. MPEP 2104 C 2nd parag. - AAPA - Applic. Admission due to lack of or inadequate Traversal.

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

MPEP 2141, IV - TRAVERSAL

IV. APPLICANT's REPLY

Once Office personnel have established the *Graham* factual findings and concluded that the claimed invention would have been obvious, **the burden then shifts to the applicant to (A) show that the Office erred in these findings or (B) provide other evidence to show that the claimed subject matter would have been nonobvious.** 37 CFR 1.111(b) requires applicant to distinctly and specifically point out the supposed errors in the Office's action and reply to every ground of objection and rejection in the Office action. The reply must present arguments pointing out the specific distinction believed to render the claims patentable over any applied references.

If an applicant disagrees with any factual findings by the Office, an effective traverse of a rejection based wholly or partially on such findings must include a reasoned statement explaining why the applicant believes the Office has erred substantively as to the factual findings. A mere statement or argument that the Office has not established a *prima facie* case of obviousness or that the Office's reliance on common knowledge is unsupported by documentary evidence will not be considered substantively adequate to rebut the rejection or an effective traverse of the rejection under 37 CFR 1.111(b). Office personnel addressing this situation may repeat the rejection made in the prior Office action and make the next Office action final. See MPEP § 706.07(a).

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

In the instant case, the Official Notice in the Office Action mailed June 25, 2009, not properly traversed by Applicant, has become Applicant Admitted Art (AAPA) as follows:

Consequently, the following limitations are now AAPA;

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- a transaction involving a purchase of a travel ticket, the transaction variables including a passenger name on the travel ticket, a travel date, a routing description of the travel ticket, and an electronic ticket indicator.

The original dependent claims 2-15 and 17-23, as follows:

2. approving the transaction when the risk factor is within a range of acceptable values.
3. retrieving a purchasing history of the account holder; and approving the transaction based on the risk factor and the purchasing history.
4. retrieving a status of the financial account; and approving the transaction based on the risk factor and the status.
5. declining the transaction when the risk factor is within a range of unacceptable values.
6. transmitting a request to contact a financial institution maintaining the financial account when the risk factor is within a range of unacceptable values.
7. retrieving a purchasing history of the account holder; and declining the transaction based on the purchasing history.
8. retrieving a status of the financial account; and declining the transaction based on the status.
9. fraud-risk model comprising a combination of risk values assigned to the transaction variables, the risk values determined from historical data of prior transactions involving a plurality of account holders.
10. the fraud-risk model comprising a combination of risk values determined for various comparisons of the transaction variables, the risk values determined from historical data of prior transactions involving a plurality of account holders.
11. wherein a risk value of a comparison of a name of the account holder and the passenger name indicates a higher risk when the name of the account holder does not match the passenger name, and indicates a lower risk when the name of the account holder matches the passenger name.

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12. wherein the transaction variables are received in a standard format so that a processing time of the transaction is not greater than a standard processing time for transactions that do not involve the purchase of travel tickets.

13. the financial account comprising one of: a credit card account, a charge card account and a debit account.

14. transaction variables further comprising: an origin city for the travel ticket, a destination city, a class of service of the travel ticket, and a number of passengers traveling.

15. transaction variables comprising: a name of the account holder, a reservation code of the ticket, and a carrier code.

17. the transaction variables are processed by the transaction processor through a fraud-risk model comprising a combination of risk values assigned to the transaction variables, the risk values determined from historical data of prior transactions involving a plurality of account holders.

18. wherein the transaction variables are processed by the transaction processor through a fraud-risk model comprising a combination of risk values determined for various comparisons of the transaction variables, the risk values determined from historical data of prior transactions involving a plurality of account holders.

19. wherein a risk value of a comparison of the name of the account holder and the passenger name indicates a higher risk when a name of the account holder does not match the passenger name, and indicates a lower risk when the name of the account holder matches the passenger name.

20. wherein the transaction variables are transmitted in a standard format so that a processing time of the transaction is not greater than a standard processing time for transactions that do not involve the purchase of airline tickets.

21. wherein the merchant comprises at least one of: an online travel vendor, an airline carrier and a travel agent.

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22. the transaction variables further comprising: an origin city for the travel ticket, a destination city, a class of service of the travel ticket, and a number of passengers traveling.

23. the transaction variables comprising: a name of the account holder, a reservation code of the ticket, and a carrier code.

Amendments

3. Applicant is advised to refer to the disclosure for support in making amendments in response to this office action.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John.Deer & Co.*, 383 U.S. 1,148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

4. **Claims 1-25 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Basch et al. (US Patent 6,658,393 B1, hereafter Basch) in view of Lawrence (US PreGrant Publication 2003/0225687 A1) and AAPA

Re. Claim 1, Basch discloses a method for predicting financial risk is disclosed. The method includes receiving data inputs on a first computing system. The data inputs includes historical data associated with at least a first account issued to an account owner, and the historical data includes historical transaction information for the first account. The method also includes generating a predictive model based on at least the historical data, receiving a current transaction authorization request associated with the first account on the first computing system, and generating a risk score by applying the predictive model to data associated with the current transaction authorization request. The current transaction authorization request is denied when the risk score indicates an unacceptable level of risk. In one embodiment, the data inputs further include performance data that is at least partially indicative of past fraudulent activities associated with the first account and at least one other account held by the account owner. (Abstract).

Basch discloses a method for authorizing a financial transaction between a merchant and an account holder of a financial account, comprising:

- receiving, by a computing device and from the merchant for use in real-time authorization, transaction variables for a transaction using the financial account, (Col. 3, ll. 53-64); and
- processing, by the computing device, the transaction variables through a fraud-risk model to determine a risk factor for the transaction (Col. 11, ll. 47-65).; and
- transmitting, by the computing device, an authorization decision to the merchant based on the determined risk factor (Col. 26, ll. 21-26 = claim 39).

Bausch does not explicitly disclose a transaction involving a purchase of a travel ticket, the transaction variables including a passenger name on the travel ticket, a travel date, a routing description of the travel ticket, and an electronic ticket indicator. However, AAPA discloses a transaction involving a purchase of a travel ticket, the transaction variables including a passenger name on the travel ticket, a travel date, a routing description of the travel ticket, and an electronic ticket indicator was well known at the time of Applicant's invention since thousands of such transactions were being made

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daily through travel agencies and airlines at that time. Further, Lawrence discloses a travel related risk management clearinghouse associated with travel arrangements ([0007], [0008], and 0011]-II. 1-3. Therefore, the ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have combined the disclosures of Basch, Lawrence, AAPA and the practitioner's own knowledge in order to produce a method for authorizing a financial transaction between a merchant and an account holder of a financial account, motivated by a desire to provide methods and systems which will utilize information to assist with risk management and due diligence related to travel arrangements (Lawrence, page 1, [0006]).

Re. Claim 16, the disclosures of Basch, Lawrence and AAPA are stated in the rejection of claim 1 above. None of Basch, Lawrence or AAPA above explicitly disclose transmitting, to a transaction processor, transaction variables for the transaction, the transaction variables including a passenger name on the airline ticket, a travel date, a routing type of the airline ticket, and an electronic ticket indicator; and receiving, from the transaction processor, one of an approval of the transaction, a declination of the transaction and a request to contact a financial institution maintaining the financial account, based on the transaction variables. However, the ordinary practitioner of the art would have seen it as obvious that these transaction variables are necessary details in the transaction of claim 1. Therefore, the ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have combined the disclosures of Basch, Lawrence, AAPA and the practitioner's own knowledge in order to produce a method for authorizing a financial transaction between a merchant and an account holder of a financial account, motivated by a desire to provide methods and systems which will utilize information to assist with risk management and due diligence related to travel arrangements (Lawrence, page 1, [0006]).

Re. Claim 24, the disclosures of Basch, Lawrence and AAPA are stated in the rejection of claims 1 and 16 above. None of Basch, Lawrence or AAPA above explicitly disclose determining, based on historical data, a risk value for transaction variables of transactions involving purchases of airline tickets, the transaction variables including at least one of: an account holder name, a reservation code, a passenger name, an origin

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city, a destination city, a travel date, a routing description, a class of service, an electronic ticket indicator, a number of passengers traveling and a carrier code; combining the risk values to generate a fraud-risk model that determines risk factors for transactions involving purchases of airline ticket; receiving a request from a merchant to authorize a transaction involving a purchase of a ticket by an account holder, the request including transaction variables corresponding to the account holder and the ticket; determining a risk factor for the transaction by inputting the transaction variables corresponding to the account holder and the ticket to the fraud-risk model; and generating an authorization decision for the request based on the risk factor for the transaction. However, the ordinary practitioner of the art would have seen it as obvious that these transaction variables are necessary details in the transaction of claim 1. Therefore, the ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have combined the disclosures of Basch, Lawrence, AAPA and the practitioner's own knowledge in order to produce a method for authorizing a financial transaction between a merchant and an account holder of a financial account, motivated by a desire to provide methods and systems which will utilize information to assist with risk management and due diligence related to travel arrangements (Lawrence, page 1, [0006]).

Re. Claim 25, the disclosures of Basch, Lawrence and AAPA are stated in the rejection of claims 1, 16 and 24 above. None of Basch, Lawrence or AAPA above explicitly disclose receiving, from the merchant for use in real-time authorization, transaction variables for a transaction involving a purchase of a travel ticket using the financial account, the transaction variables including at least one of: a passenger name on the travel ticket, a travel date, a routing description of the travel ticket, and an electronic ticket indicator; and processing the transaction variables through a fraud-risk model to determine a risk factor for the transaction. However, the ordinary practitioner of the art would have seen it as obvious that these transaction variables are necessary details in the transaction of claim 1. Therefore, the ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have combined the disclosures of Basch, Lawrence, AAPA and the practitioner's own knowledge in order to

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produce a method for authorizing a financial transaction between a merchant and an account holder of a financial account, motivated by a desire to provide methods and systems which will utilize information to assist with risk management and due diligence related to travel arrangements (Lawrence, page 1, [0006]).

Re. dependent claims 2-15 and 17-23, none of Basch, Lawrence or AAPA above explicitly disclose limitations of claims 2-15 and 17-23. However, discloses the limitations of claims 2-15 and 17-23. Therefore, the ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have combined the disclosures of Basch, Lawrence, AAPA and the practitioner's own knowledge in order to produce a method for authorizing a financial transaction between a merchant and an account holder of a financial account, motivated by a desire to provide methods and systems which will utilize information to assist with risk management and due diligence related to travel arrangements (Lawrence, page 1, [0006]).

Response to Arguments

5. Applicant's arguments filed September 25, 2009 regarding claims 1-25 have been fully considered but they are not persuasive.

ARGUMENT A: The claims now meet statutory requirements of 35 USC 101 (p. 11, l. 3 – p. 12, end).

RESPONSE:

Applicant is referred to the above rejection of claims 1-25 under 35 USC 101.

ARGUMENT B: The Use of Official Notice in the first office action was improper” (p. 15, l. 16) because of not citing a prior art reference for the Noticed subject matter (p. 16, ll. 6-7) (p. 15, l. 16. – p. 16, l. 14).

RESPONSE:

(1) Applicant is referred to the information above regarding AAPA. Applicant has failed to properly traverse the limitations for which Official Notice was taken since Applicant failed to meet the requirements of proper traversal proved above.

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(2) Taking of Official Notice would be moot if prior art were cited with Official Notice.

ARGUMENT C: The examiner has improperly combined the prior art references and the ordinary practitioner's own knowledge and thus failed to make a proper prima facie case of obviousness in the rejections under 35 USC 103 (a) (p. 16, l. 15 – p. 18, l. 8), in part because of the focus of Lawrence (p. 16, ll. 18—p. 17, l. 6), because of not providing “a proper reasoning for an alleged combination” (p. 17, ll. 10-12) and because the detailed language of “transaction variables” is not explicitly found in the references (p. 17 – p. 18, l. 4).

RESPONSE:

(1) THE MATTER OF LAW

1) *KSR and In re Kahn*

The US Supreme Court noted that “[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.* at 1741, 82 USPQ2d at 1396.

2) *>I. < RATIONALE MAY BE IN A REFERENCE, OR REASONED FROM COMMON KNOWLEDGE IN THE ART, SCIENTIFIC PRINCIPLES, ART-RECOGNIZED EQUIVALENTS, OR LEGAL PRECEDENT*

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (setting forth test for implicit teachings); *In re Eli Lilly & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985) (examiner must present convincing

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line of reasoning supporting rejection); and *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning). ”.

3) Burden of Proof

“[T]he PTO can require an applicant to prove that the prior art products do not necessarily or inherently possess the characteristics of his [or her] claimed product. Whether the rejection is based on inherency’ under 35 U.S.C. 102, on prima facie obviousness’ under 35 U.S.C. 103, jointly or alternatively, the burden of proof is the same...[footnote omitted].” The burden of proof is similar to that required with respect to product-by-process claims. *In re Fitzgerald*, 619 F.2d 67, 70, 205 USPQ 594, 596 (CCPA 1980) (quoting *In re Best*, 562 F.2d 1252, 1255, 195 USPQ 430, 433-34 (CCPA 1977)).” (MPEP § 2112.01).

4) MPEP 2145 Consideration of Applicant's Rebuttal Arguments [R-3]

I. ARGUMENT DOES NOT REPLACE EVIDENCE WHERE EVIDENCE IS NECESSARY

Attorney argument is not evidence unless it is an admission, in which case, an examiner may use the admission in making a rejection. See [MPEP § 2129 <2100_2129.htm>](#) and [§ 2144.03 <2100_2144_03.htm>](#) for a discussion of admissions as prior art.

The arguments of counsel cannot take the place of evidence in the record. *In re Schulze*, 346 F.2d 600, 602, 145 USPQ 716, 718 (CCPA 1965); *In re Geisler*, 116 F.3d 1465, 43 USPQ2d 1362 (Fed. Cir. 1997) (“An assertion of what seems to follow from common experience is just attorney argument and not the kind of factual evidence that is required to rebut a *prima facie* case of obviousness.”). See [MPEP § 716.01\(c\) <0700_716_01_c.htm>](#) for examples of attorney statements which are not evidence and which must be supported by an appropriate affidavit or declaration.

5) PREDICTABLE RESULTS

“..., in *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007)., the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739 and discussed circumstances in which a patent might be determined to be obvious without an explicit application of the teaching, suggestion, motivation test. In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739 (citing *Graham*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained: When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or

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a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill."

6) MPEP 716, UNEXPECTED RESULTS

716.02 Allegations of Unexpected Results

Any differences between the claimed invention and the prior art may be expected to result in some differences in properties. The issue is whether the properties differ to such an extent that the difference is really unexpected. In *re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986) (differences in sedative and anticholinergic effects between prior art and claimed antidepressants were not unexpected). In *re Waymouth*, 499 F.2d 1273, 1276, 182 USPQ 290, 293 (CCPA 1974), the court held that unexpected results for a claimed range as compared with the range disclosed in the prior art had been shown by a demonstration of "a marked improvement, over the results achieved under other ratios, as to be classified as a difference in kind, rather than one of degree." Compare *In re Wagner*, 371 F.2d 877, 884, 152 USPQ 552, 560 (CCPA 1967) (differences in properties cannot be disregarded on the ground they are differences in degree rather than in kind); *Ex parte Gelles*, 22 USPQ2d 1318, 1319 (Bd. Pat. App. & Inter. 1992) ("we generally consider a discussion of results in terms of differences in degree' as compared to differences in kind' . . . to have very little meaning in a relevant legal sense").

716.02(a) [R-2] Evidence Must Show Unexpected Results

(2) IN THE INSTANT CASE

1) As stated above in the case of law, it is the examiner's responsibility to determine the knowledge of one of ordinary skill in the art of an Applicant's invention and to adequately present rationale to support that determination. The examiner has accomplished this according to the various aspects of guidance provided by law, such of which is excerpted above.

2) The examiner has provided substantial and adequate combination of supporting evidence and rationale, including a thorough exposition of what the ordinary practitioner would have known at the time of Applicant's invention, for the rejection under the 35 USC 103(a) obviousness statute. The rationale is repeated above for Applicant's convenience.

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- 3) The cited prior art contains specific examples of methods for authorizing a financial transaction between a merchant and an account holder of a financial account.
- 4) The examiner has complied with the above cited guidelines for combining references and citing motivation to combine.
- 5) Regarding the specific transaction variables being argues, AAPA and Lawrence cite ample transaction variables which suggest an almost endless number of additional variables to be obvious to the ordinary practitioner.
- 6) Applicant is advised that the examiner is not taking an entire prior art invention when citing a narrow teaching in a reference but merely taking that narrow disclosure which suggests narrow method steps to the ordinary practitioner. An entire invention or embodiment in a teaching is only taken as a whole when the laws of science make the entire structure remain together. This is not the case in the steps of a business method.
- 7) Applicant has failed to satisfy the required burden of proof, since the results of Applicant's invention are entirely predictable based on what the ordinary practitioner would have known in combination of the cited prior art. Further, Applicant has failed to present a case of unexpected results.
- 8) In conclusion, the examiner believes that he has presented a proper *prima facie* case of obviousness in satisfaction of the requirements of the MPEP and case law, some of which is presented above.

Conclusion

7. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is 571-272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Charles Kyle, can be reached on 571-272-6746.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair>.

Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). The following is a LINK to PRIVATE PAIR - <https://portal.uspto.gov/authenticate/AuthenticateUserLocalEPF.html>.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks Washington D.C. 20231
or faxed to:

(571)273-8300 [Official communications; including After Final communications
labeled "Box AF"]

or

(571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or
"DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

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January 2, 2010

/Charles R. Kyle/

Supervisory Patent Examiner, Art Unit 3695